

Texas Man Who Lied About Origin of Chinese-Made Products Sentenced to 4 Years In Prison, Ordered to Pay \$1.15 Million - GSA Office of Inspector General

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U.S. Attorney's Office
Northern District of Texas
May 5, 2023

A Grand Prairie man was sentenced today to four years in federal prison and ordered to pay \$1.15 million in restitution for lying to the federal government about where his company's products were manufactured, announced U.S. Attorney for the Northern District of Texas Leigha Simonton.

Suhaib Allababidi, 45, pleaded guilty to one count of conspiracy to defraud the United States in November 2022. His company, 2M Solutions Inc., pleaded guilty to one count of conspiracy to defraud the United States and one count of filing false or misleading export information. Mr. Allababidi was sentenced Friday by U.S. District Judge Reed C. O'Connor, who sentenced 2M to five years of probation plus a \$1 million fine and ordered the company jointly and severally liable for the \$1,154,634.11 in restitution.

According to court documents, Mr. Allababidi, the owner and president of 2M, admitted that the company – which provided security cameras, solar-powered light towers, digital video recorders, and other electronics to various U.S. government agencies – claimed that its products were manufactured in the United States, when in actuality they were manufactured in the People's Republic of China by Chinese companies.

In order to secure contracts with U.S. government agencies, including the Department of Defense, Department of Justice, and Department of Homeland Security, Mr. Allababidi represented that 2M was “a USA Manufacturing Company.” In actuality, 2M did little to no manufacturing but instead often purchased products from Chinese companies, removed labels indicating the true country of origin, and replaced them with labels indicating they were manufactured in 2M's Grand Prairie facility.

By falsely representing that its products were manufactured in the United States, 2M was able to secure contracts subject to the Buy America Act (BAA), a law which generally prohibits United States Government agencies from purchasing products made outside the United States with some limited exceptions.

2M repeatedly certified to the government that its products were BAA-compliant and took various steps to conceal their Chinese origin. On one occasion, when products were to be shipped directly from a Chinese company to the government agency, a 2M employee sent the Chinese company an email reminding them, “we do not want any Chinese characters or stickers on the shipment” and adding that such stickers “will cause many problems for us.”

2M also pled guilty to submitting false information in relation to products exported to foreign customers. In contravention of export laws, the company submitted false information to the Automated Export System, a government-run platform that collects export information and distributes it to multiple federal agencies to assure compliance. The company falsified the description of items exported, misrepresented the ultimate recipient of the items, and falsely stated that no export license was needed for shipments that required a license.

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The Defense Criminal Investigative Service, the Federal Bureau of Investigation's Dallas Field Office, the U.S. Department of Commerce - Bureau of Industry and Security, Office of Export Enforcement, the General Services Administration's Office of Inspector General, Homeland Security Investigations, and the Justice Department's Office of the Inspector General conducted the investigation. Assistant U.S. Attorney Jay Weimer prosecuted the case with the assistance of the Justice Department's National Security Division.

Source: U.S. Attorney's Office [press release](#)